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SAPC 16821

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John P. John S. 9P
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20 June 1957

MEMORANDUM FOR THE RECORD

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SUBJECT: Amendment No. 2 to Letter Contract No. OS-100 with Hycon Mfg. Company - Project [REDACTED] (AQUATONE).

1. This memorandum contains a recommendation submitted for approval of the Director of Central Intelligence. Such recommendation is set forth in Paragraph 5.

2. Letter Contract No. OS-100 provides for the services overseas of contractor personnel trained under Contract No. FS-99 by Hycon Mfg. Company - Project [REDACTED]. Such personnel consists of field engineers, film processors, and similar camera operations and maintenance personnel and related supervisory personnel.

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3. An amount not to exceed \$45,000 was obligated under Letter Contract No. OS-100 from Fiscal Year 1956 AQUATONE funds to cover work and services for the period from 1 April 1956 through 30 June 1956. It was estimated that the total contract price for the contractor's services for the period 1 July 1956 to 30 June 1957 would be approximately \$510,000. Of this sum, only \$250,000 of Fiscal Year 1957 AQUATONE funds were obligated under Amendment No. 1. The balance of funds necessary to provide services to 30 June 1957 were to be obligated later in the fiscal year when a more realistic estimate of the contract requirements could be determined. The Contractor has now submitted his fixed price proposal for the cost of performance for Fiscal Year 1957. This proposal in the amount of \$403,119.10 is subject to negotiation. However, time will not permit audit and negotiation of a final price prior to 30 June 1957. Therefore, Amendment No. 2 has been prepared to cover the additional amount claimed for Fy 57 over the amount presently obligated or \$153,119.10 to be obligated during Fy 1957 against AQUATONE funds. Concurrence below by the Comptroller will signify that funds are available.

4. By memorandum, SAPC-6013, from the Director of Central Intelligence to the Comptroller, it was certified that in accordance with the provisions of Section 10(b) of Public Law 110, 81st Congress, the sum of \$500,000 is available from Fiscal Year 1957 funds for Contract No. OS-100, Project [REDACTED]

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5. Approval of Amendment No. 2 to Letter Contract No. OS-100 and execution thereof on behalf of the Agency by the authorized Project Contracting Officer is recommended.

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S/
[REDACTED]
SA/PC/DCI - Project Director

CONCURRENCES:

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[REDACTED] *6/21/57*
Director of D and P

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[REDACTED] *6/24/57*
Comptroller

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for [REDACTED]
General Counsel

Approval requested in Paragraph 5,
granted.

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S/ [REDACTED]
DIRECTOR OF CENTRAL INTELLIGENCE

Distribution:

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